

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION FOR
AUTHORIZATION AND APPROVAL OF A PROJECT UNDER
CHAPTER 121A OF THE MASSACHUSETTS GENERAL LAWS
(TER. ED.), AS AMENDED, AND CHAPTER 652 OF THE
ACTS OF 1960, AS AMENDED, AND FOR CONSENT TO
THE FORMATION PURSUANT TO SAID CHAPTER 121A OF
AN URBAN REDEVELOPMENT LIMITED PARTNERSHIP
UNDER THE NAME 175 FEDERAL STREET ASSOCIATES,
FOR THE PURPOSE OF UNDERTAKING AND CARRYING
OUT THE PROJECT.

A. The Hearing. A public hearing was held at 1:50 P.M., on October 7, 1976, in Room 901 at City Hall, Boston, Massachusetts, by the Boston Redevelopment Authority (hereinafter called the "Authority") on an Application, as amended (the "Application"), filed by 175 Federal Street Associates (hereinafter called the "Applicant"), whose General Partners are Norman B. Leventhal, Edwin N. Sidman, and Richard L. Friedman, for authorization and approval of a redevelopment project under Chapter 121A of the General Laws of The Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, as amended (the "Project"), and for the consent to the formation of a Chapter 121A limited partnership under the name 175 Federal Street Associates (the "121A Limited Partnership"), for the purpose of undertaking and carrying out the Project, due notice of said hearing having been given previously by publication on September 20, 1976, and September 27, 1976 in the Boston Herald American, a newspaper of general circulation published in Boston and mailing appropriate notices postage prepaid, in accordance with the provisions of Rule 8 of the Authority's Rules and Regulations for Securing Approval of Projects

in Boston under Chapter 121A of the General Laws, as Amended, as amended through September 9, 1976 (the "Regulations") and Section 13 of Chapter 652 of the Acts of 1960, as amended.

Robert L. Farrell, Chairman of the Authority, and Joseph J. Walsh, James G. Colbert, James K. Flaherty, and James E. Cofield, Jr., were present throughout the hearing.

B. The Project. The Project consists of the purchase from the Authority of the Project Area, as defined in Paragraph 3 of the Application, and designated as Parcel C7-1 on a plan entitled "Central Business District - Urban Renewal Area Project No. Mass. R-82-Boston, Suffolk County, Massachusetts Delivery Parcel Plan, Parcel C7-1, C7-2" dated December 18, 1973, revised December 20, 1974, and the construction, operation and maintenance on said Project Area by the Applicant of a six-sided 16-story office building containing approximately 200,000 square feet of rental space with first floor commercial space and appurtenant facilities.

The Project is regulated pursuant to a Land Disposition Agreement (the "LDA"), between the Authority and the Applicant dated December 23, 1974, and in accordance with the drawings and outline specifications which are attached to the Application as Exhibits F and G.

C. Authority Action. In passing upon the Application, the Authority has considered the Application itself, all documents, plans and exhibits filed therewith or referred to therein, the studies and investigations of the Project Area and vicinity and

the environmental aspects of the Project made by the Authority and staff and by consultants, the oral evidence presented at the hearing, the exhibits offered in evidence at the hearing and the arguments and statements made at the hearing. The members of the Authority have also viewed the Project Area.

D. The Project Area. The Project as defined in the Application constitutes a "Project" within the meaning of Section 1 of Chapter 121A of the General Laws, as amended.

The Application was filed after commencement of construction. By existing law, the Applicant does have standing to file its Application for the Project.

Applying the clear provisions of law, we find that the Application was filed on March 1, 1976 prior to the effective date of Chapter 827 of the Acts of 1975 (said Chapter 827 became effective on March 22, 1976); we find that the Applicant was conveyed the subject parcel by this Authority after January 1, 1975, namely on August 1, 1975; and we further find that the Applicant has filed written acceptance of the provisions of Chapter 827 with the Secretary of the Commonwealth on May 24, 1976, within six months after the effective date of the Act. Thus, the Applicant has met the three pre-conditions which are required in order to have standing to bring this Application, even after the commencement of construction as was the clear legislative intent.

The Project Area, as part of the Authority's Urban Renewal Plan for the Central Business District - South Station Area Pro-

ject No. Mass. R-82C, was declared by the Authority on May 23, 1968, as amended October 31, 1968 and approved by the City Council on February 24, 1969, and by the Mayor of the City of Boston on February 28, 1969, and the concurrence of other appropriate state and federal agencies, to be a decadent area. Said determination was made under Chapter 121B of the General Laws.

For the purposes of these proceedings, at the time of application, the Authority finds pursuant to Section 1 of Chapter 121A that the Project Area was open, blighted and decadent, any one of which is sufficient for compliance with the law as follows: The size of the Project Area, its irregular shape, its subsurface conditions within the property lines, and adjacent subsurface utility structures adjacent public tunnels and required street realignments and relocations. The Authority finds it was unduly costly to develop the Project Area because of the above conditions necessitating unduly expensive foundations and unduly expensive measures incident to constructing the building because of the site constraints. In particular the Authority finds that the additional cost of steel required over and above normal building techniques, as mandated by site conditions was \$930,000.00. This additional expense was required because of (i) the site, (ii) the fact that no structural loads could be tolerated on underground MBTA utility and subway tunnels flanking two sides of the site, and (iii) the necessity of cantilevering a portion of the building over widened High Street.

The Authority hereby further finds that the Project Area was

bounded by several streets, none of which were parallel, including High Street, Summer Street, Federal Street and Purchase Street, thus, creating an irregularly shaped lot, bounded by obsolete street patterns. The development will eliminate, to the maximum extent possible, the obsolete street patterns, conflicts between traffic and pedestrian movements by closing Federal Street between Purchase and High Streets, to form the landscaped pedestrian mall. Therefore, the Authority further finds that the construction of the Project will aid in alleviating obsolete street patterns.

Prior to the demolition of the buildings on the Project Area, the Authority finds that the site was decadent and said buildings were out of repair and deteriorated. Furthermore, said buildings covered the entire site, and thus, there was no provision for open spaces or pedestrian plazas or landscaped areas.

The Authority further finds that after the demolition of the former buildings, it was improbable that any buildings would be constructed in their place because of the site configuration and size of the Project Area of approximately 19,000 square feet, which when reduced by set-back requirements under zoning laws and by reason of the constraints which the site and the area immediately adjacent thereto as heretofore noted, the usable space allows for building coverage at ground level of only 8,000 square feet, after accommodating street realignments and pedestrian plazas. The Authority finds that such would be uneconomic for any developer without expensive design techniques, which in fact the Applicant has used in the Project.

Therefore, the Authority finds that for the purposes of these proceedings, at all times prior to the construction of the Project, the Project Area was an open, blighted and decadent area, and thus, the Project Area is a "Project" under the meaning of Section 1 of Chapter 121A of the General Laws. It is improbable that the area would be redeveloped by the ordinary operations of private enterprise. These conditions and other factors referred to in the Application and this Report and Decision warrant the carrying out of the Project in accordance with Chapter 121A, and that proposal constitutes a "Project" within the meaning of that statute.

The Authority further finds that the Authority is mandated by the provisions of Section 21 of Chapter 827 of the Acts of 1975 to make the determination and findings of open, blighted and decadent area as to the Project Area prior to the commencement of construction of the Project in order to give meaning to said provisions. The Project will provide substantial financial return to the City of Boston. Addendum 2 to the Application sets forth an example of the type of agreement to be entered into between the City of Boston and the Applicant. This agreement provides in substance, that there be paid to the City of Boston, in lieu of real estate taxes in each calendar year in which the Applicant is a 121A Limited Partnership, an amount over the excise taxes payable under General Laws, Chapter 121A, Section 10. Addendum 2 is attached only for illustrative purposes, and the approval of this Report and Decision does not bind the City to the terms of the said Addendum.

E. Cost of the Project. In the opinion of the Authority the cost of the Project has been realistically estimated in the Application and the Project will be practicable. The estimated cost of the Project is \$16,120,000.00. The Authority hereby approves the arrangements, as described in Paragraph 8 of the Application, for the financing of the cost of the Project.

The Authority finds that the Project will be feasible and that the financing program is approved.

The Project is desirable not only because it will eliminate a source of blight in the downtown area, but also because it is a compliment, both in design and function, to other improvements being made in the South Station area. Its location, close to the subway, bus and train facilities at South Station, make it an ideal location for an office building. In addition, it adjoins the Central Business District, and will provide convenient shopping opportunities for the office workers in the building. Thus, the Authority finds that the Project will contribute to the stabilization of the area, by channeling employees into the Mass. Transit System and away from reliance upon automobiles for commuting.

F. Consistency with Master Plan. The Project Area does not conflict with the Master Plan of the City of Boston. Furthermore, the Project will be built in accordance with the Urban Renewal Plan for the Central Business District - South Station and in accordance with the terms of the LDA between the Authority and the Applicant.

G. Effect of Project. The Project will not be in any way detrimental to the best interests of the public or the City or to the public safety or convenience or be inconsistent with the most suitable development of the City. The Project will in fact forward the best interests of the City and will constitute a public use and benefit by removing an open, blighted and decadent area and create a vital link between the South Station area and the Central Business District.

The carrying out of the Project will not involve the construction or rehabilitation of buildings occupied in whole or in part as dwellings. The Project Area does not include land within any location approved by the State Department of Public Works for the extension of the Massachusetts Turnpike into the City of Boston.

The carrying out of the Project will not require the grant of a permit for the erection, maintenance, and use of the garage. The Project does not involve the construction of units which constitute a Single Building under the Boston Building Code and Zoning By-Laws. The Project is not, in contravention of any Zoning, Subdivision, Health or Building Ordinances or By-Laws, Rules and Regulations of the City of Boston. All permissions which are required for the Project to comply with the foregoing Ordinances, By-Laws and Rules and Regulations have been obtained by the Applicant.

H. Minimum Standards. The minimum standards for financing, construction and maintenance of the Project as set forth in

Exhibit C filed with and attached to the Application are hereby adopted and imposed as rules and regulations applicable to this Project for the same period as the Project is subject to the provisions of Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, as amended.

I. Environmental Aspects of the Project. In accordance with the applicable provisions of Sections 61 and 62 of Chapter 30 of the General Laws, as amended, the regulations of the Authority and of the Executive Office of Environmental Affairs thereunder, the Authority submitted on or about October 19, 1973 to the Secretary of Environmental Affairs a so-called negative assessment, which Report contained the findings which the Authority hereby adopts that an Environmental Impact Report was not necessary as the Project had no significant environmental impact.

The decision of the Authority not to prepare an Environmental Impact Report was approved and determined to adequately and properly comply with the provisions of the regulations by the Secretary of Environmental Affairs, Charles H. W. Foster, on November 18, 1973.

The Authority therefore finds and concludes that all feasible measures have been taken to avoid or minimize damage to the environment.

J. Extension of Period of Exemption from Taxation. Chapter 121A, as amended by Chapter 827 of the Acts of 1975 provides a base period of 15 years. Chapter 121A further authorizes the Authority to grant such additional periods between 15 and 40

years, based upon the amenities established or to be established in the Project Area. On September 9, 1976, the Authority amended its rules and regulations and set forth the basis upon which the Authority would consider various amenities to be incorporated within any project. Although the Applicant has requested an additional twelve year extension period, the Authority rejects said request for the reason that the amenities proposed do not comply with criteria established by the Authority for the granting of extensions as said amenities are generally incorporated into similar office buildings in the City of Boston.

The Authority hereby finds that the Application and such aspects of the Project as are within its jurisdiction conform to and comply with each and every applicable requirement of law, including without limitation, Chapter 121A of the General Laws, as amended, Chapter 652 of the Acts of 1960, as amended, and the Regulations applicable thereto; and the Authority, for the foregoing reasons and for the reasons set forth in the Application and supporting documents, and based upon the evidence presented at the hearing, this Report, and in the materials referred to in this Report, hereby approves the Application and the Project and consents to the formation of 175 Federal Street Associates as a 121A Limited Partnership for a period of 15 tax years.

Deviations to Codes and Ordinances -- no deviations were requested.

MEMORANDUM

DECEMBER 22, 1977

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT F. WALSH, DIRECTOR

SUBJECT: 175 FEDERAL STREET ASSOCIATES
APPROVAL of 121A REPORT AND DECISION
WITH STATEMENT OF NO SIGNIFICANT ENVIRONMENTAL IMPACT

On October 7, 1976, a public hearing was held for approval of the formation of 175 Federal Street Associates pursuant to Chapter 121A of the General Laws of Massachusetts, as amended.

The applicants sought consent for the qualification of a limited partnership as a Chapter 121A entity for a project consisting of a 16-story office building of approximately 200,000 square feet on Parcel C-7-1 in the South Station Urban Renewal Project. The project would be comprised of rental space with first floor commercial and appurtenant facilities.

As the Report and Decision indicates, it is determined that the applicants have standing to apply for the qualification of the limited partnership as a 121A entity as a result of the legislative intent embodied in Section 21 of Chapter 827 of the Acts of 1975. It is also determined that the parcel does qualify for 121A treatment as an open, blighted, and/or decadent area. The applicants requested no deviations from applicable codes and ordinances.

The Authority also made inquiries into the Environmental Impact of the Project pursuant to Sections 61 and 62 of Ch. 30 of the Massachusetts General Laws. The proposal for 175 Federal Street Associates has thus been examined as to its Environmental Impact and as to its compliance with 121A criteria and is found to be acceptable under both statutes.

It is therefore appropriate at this time that the Authority adopt a Report and Decision on the Project. An appropriate Vote follows.

VOTED: That the document presented at this meeting entitled, "REPORT AND DECISION ON THE APPLICATION FOR AUTHORIZATION AND APPROVAL OF A PROJECT UNDER CHAPTER 121A OF THE MASSACHUSETTS GENERAL LAWS (TER.ED.), AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, AS AMENDED, AND FOR CONSENT TO THE FORMATION PURSUANT TO SAID CHAPTER 121A OF AN URBAN REDEVELOPMENT LIMITED PARTNERSHIP UNDER THE NAME 175 FEDERAL STREET ASSOCIATES, FOR THE PURPOSE OF CARRYING OUT THE PROJECT" which also includes a determination by the Authority that said Project has no significant Environmental Impact, be and hereby is approved and adopted.